GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2218
ANSWERED ON:05.12.2014
IMPOSITION OF HIGH TARIFF BY US
Adsul Shri Anandrao ;Patil Shri Shivaji Adhalrao;Shrirang Shri Chandu Barne

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the United States (US) had imposed high tariffs on textiles, food products, footwear, leather goods and automotive components;

(b) if so, whether Indian exporters face additional customs impediments, such as import user fees and excessive invoicing requirements on imports which add to the costs in the same way as tariffs;

(c) if so, the details thereof;

(d) whether the Government has taken up the matter with the US Administration to address these issues during the recent Indo-US meet; and

(e) if so, the details and the outcome thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE) (SMT. NIRMALA SITHARAMAN)

(a) : Yes, Madam. As per 2013 Report by the WTO Secretariat for the Trade Policy Review of the United States, significant tariff peaks remain in certain sectors, such as footwear, leather, textiles, automotive, clothing, and in agriculture including food products.

(b) & (c) : Other charges which add to the cost of exports to the USA include Customs User Fee in the form of Merchandise Processing Fee, COBRA Fees (under the Consolidated Omnibus Budget Reconciliation Act), Harbor Maintenance Tax, Agriculture Fees. Besides this, Other User Fee under various inspection programmes which include User Fees imposed by US Federal Agencies such as FDA, USDA, and Customs Border Protection (CBP) on the importing business in order to cover the cost of operations for an agency adds to the cost to the import to US. Besides, lack of conformity assessment procedures also impact our market access for agriculture products like mangoes, table grapes, pomegranates and lychees.

(d) & (e): The Government has raised the issues at various levels with the US Government including at Ministerial level and Diplomatic level and at various other bilateral meetings with the concerned authorities in the US.